



# ED SLOTT'S IRA ADVISOR

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## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### Creditor Protection for Inherited IRAs

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*"Put not your trust in money, but put  
your money in trust."*

- Oliver Wendell Holmes (1809-1894)

Should your client name a trust as the beneficiary of his or her IRA or company plan funds? That is one of the most common questions we receive from advisors and that advisors receive from their clients.

Generally it comes down to some aspect of post-death control as the reason to name a trust as the IRA beneficiary and that should be evaluated on a case by case basis with each client. The most concise way to answer the question of whether a trust is needed is "you need a trust when you don't trust." Often clients attend an estate planning seminar where trusts are recommended as part of an overall estate plan. While that might be fine for most assets, IRAs are different than most other assets because they are subject to both income tax and a host of rigid and complex distribution rules that beneficiaries and their advisors need to be well versed in.

In this month's feature article, *"IRA Trust Beneficiary Basics,"*

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we start from the point where it is already decided that naming a trust as the IRA (or company plan) beneficiary is the best choice. Then we take you through the basic points you will need to address, such as what type of trust should this be, does the client still want a stretch payout for the inherited IRA, and how the trust mechanics will work after death. Naming a trust is just the beginning and you need to know what to do next. We give you that guidance in this issue.

This month's Guest IRA Expert is IRA King Seymour "Sy" Goldberg, CPA, MBA, JD, Senior Partner, Goldberg & Goldberg, P.C. in Jericho, NY. Sy's article, *"Protecting Inherited IRAs from Creditors' Claims"* ties in with this month's IRA trust theme,

where a trust is named as the IRA beneficiary for creditor protection purposes. Sy brings us several recent and disturbing court cases that have made him revisit the types of IRA trusts that should be named as the IRA beneficiary when creditor protection is an issue.



For more IRA information, visit our website at [www.ira-help.com](http://www.ira-help.com).

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#### Guest IRA Expert

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**Protecting Inherited IRAs  
from Creditors' Claims**

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